

weekly economic review

August 24, 2012

Trade

Retail sales cool, but remain well ahead of last year

After setting a new record level in May, retail sales were down 1.3% in June, led by lower sales of new vehicles. Despite the drop, Alberta continues to lead the country in year-over-year growth, with sales increasing 6.6% compared with June 2011. Retail sales have now grown an impressive 8.8% in the first half of the year compared with the same period last year.

Canadian retail sales fell 0.4% in June, more than offsetting May's increase. Sales were down in six of the ten provinces. On a year-over-year basis, Canadian sales were up only 1.7%, the weakest increase since March 2011.

Wholesale trade dips

After a sharp run-up in April and May, wholesalers saw the value of their shipments retreat in June. Alberta wholesale trade fell 3.0% in June, partly offsetting the gains recorded in April and May. Despite the monthly drop, wholesale trade was up an impressive 10.0% from June 2011, the highest increase among the provinces. The year-over-year gain was fairly broad-based, with 4 of the 7 reporting industries posting improvement.

Nationally, wholesale trade edged down 0.1% in June, but was up 6.3% over June 2011.

Job Vacancies

Alberta continues to have the highest job vacancy rate in Canada

Alberta has the tightest job market in the country, according to Statistics Canada's job vacancy data. The province's job vacancy rate, defined as the number of job openings as a percentage of jobs required, came in at 3.4% during the March to May period, up significantly from the same period last year (2.3%). This represents

the highest level among the provinces and almost double the national rate of 1.8%. At the national level, the mining, oil and gas industry continues to have the highest job vacancy rate.

In another sign of a strong labour market, Alberta has the lowest number of unemployed per job opening in Canada at 1.7 between March and May, followed by Saskatchewan at 2.1.

Employment Insurance

Fewer Albertans receiving employment benefits

The number of Albertans receiving employment benefits decreased for the sixth straight month in June. Reflecting ongoing job gains, the number of beneficiaries in Alberta fell 0.7% to 23,880 in June. Compared with the same month last year, the number of beneficiaries plummeted 30.4%, almost triple the national decline of 11.1%.

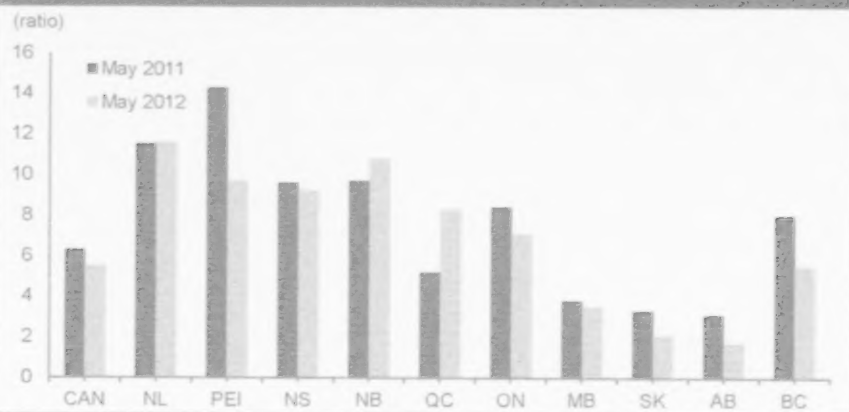
Residential Investment

New housing investment up sharply in first half of 2012

In June, investment in new housing construction was up an impressive 29.4% over the same month last year. While increases were recorded in all housing segments, the largest growth came in multiple unit investment. New housing investment has now grown 24.0% in the first half of the year compared with the same period in 2011. Alberta's housing market has shown a marked improvement this year, aided by strong net migration and low mortgage rates.

Nationally, residential investment was up 14.5% over June 2011.

Unemployment-to-Job Vacancies Ratio



Source: Statistics Canada

Ratio is number of unemployed per job vacancies

Closing Prices	August 17, 2012	August 23, 2012	2012-13 Fiscal YTD
Canadian Dollar (USD/\$CAN)	101.16	100.73	99.16
WTI Oil (\$US/bbl)	\$96.01	\$96.27	\$90.22
NYMEX Natural Gas (\$US/MMBtu)	\$2.72	\$2.80	\$2.58

Alberta Economic Indicators¹

Population	2010	2011	2012YTD	Feb	Mar	Apr	May	Jun	Jul
Population (000s)	3,721	3,774	3,847			3,847			
% change	1.3	1.5	2.0			1.4			
Net Migration of Migrants ² (level)	5,291	13,660	22,542			73,096			
Net International Migration ² (level)	21,783	14,093	17,506			8,671			
Net Non-permanent Resident ² (level)	125	-7,989	5,042			3,642			
Labour Market									
Employment (000s)	2,018	2,075	2,141	2,138	2,152	2,147	2,153	2,144	2,150
% change	0.4	3.5	3.2	2.9	3.7	3.0	4.1	2.7	2.5
Unemployment Rate (%)	6.5	5.5	4.8	5.5	5.3	4.9	4.5	4.6	4.8
Participation Rate (%)	72.8	73.7	73.7	73.7	74.0	73.9	74.7	72.9	73.3
Average Weekly Earnings (\$)	943.28	1,038.89	1,086.25	1,084.85	1,084.36	1,084.54	1,087.08		
% change	4.5	4.6	2.4	2.4	3.1	3.7	1.4		
Price Indices									
Consumer Price Index	1.0	2.4	1.4	1.3	1.7	0.8	0.4	1.3	0.0
Excluding Food and Energy	0.7	0.8	1.5	1.0	1.5	2.1	1.5	1.5	1.4
New Res. Building Cost Price Index ³	0.1	3.4	4.3		4.5			4.1	
Farm Product Price Index	1.5	17.2	4.1	3.2	2.0				
Crops	9.7	18.5	-3.0	-3.9	-4.4				
Livestock	5.7	17.2	10.9	9.6	8.2				
Household Sector									
Housing Starts (SAAR, 000s)	26.9	25.5	33.2	32.1	25.6	29.7	33.6	33.4	31.5
% change	34.8	-5.2	46.2	42.7	79.3	89.6	88.8	43.6	-23.5
New Housing Price Index ⁴	0.5	0.4	0.6	0.2	0.6	1.2	1.0	1.2	
Edmonton	-0.8	0.9	0.9	0.1	0.6	1.3	1.1	0.8	
Calgary	1.8	0.1	0.8	0.4	0.5	0.9	0.8	1.3	
MLS Average Resale Price (\$ 000s)	350.9	352.7	359.2	360.5	364.6	367.5	365.5	360.5	362.5
% change	3.1	0.5	1.7	1.2	2.5	1.3	3.9	2.1	3.1
Edmonton (\$ 000s)	326.5	324.2	332.3	334.5	331.3	337.3	339.7	330.2	339.6
% change	2.3	-0.7	2.9	4.8	2.8	3.3	4.0	3.7	1.1
Calgary (\$ 000s)	397.4	401.9	405.6	410.5	407.8	408.0	413.3	410.1	410.7
% change	3.4	1.1	0.8	3.5	2.4	1.3	2.4	2.3	1.0
NEW: Retail Sales	6.0	6.9	8.8	9.4	9.8	7.6	8.2	8.6	
New Motor Vehicle Sales	9.5	9.6	13.4	24.8	12.9	1.2	22.6	5.5	
Consumer Bankruptcies (level)	8,150	7,029	2,666	533	528	523	515		
% change	-18.4	-13.6	-15.7	16.7	18.5	18.3	16.5		
Business Sector									
Risk Drilling (level)	207	265	252	453	338	141	88	539	199
% change	61.3	37.9	0.6	9.9	3.5	14.8	4.5	7.3	17.5
Goods Exports (seasons based)	12.6	18.5	9.2	16.4	9.0	17.0	1.6	1.1	
Energy	17.4	19.4	11.8	16.4	10.0	24.2	3.4	1.6	
Agriculture	-14.3	21.4	16.4	18.5	38.2	16.2	10.2	0.3	
Total Farm Cash Receipts (quarterly)	-3.7	16.3	28.7		28.3				
Manufacturing Shipments	11.3	18.0	10.6	15.1	12.2	8.4	7.4	5.8	
NEW: Wholesale Trade	8.5	15.0	15.5	16.9	14.0	10.5	16.9	10.5	
Building Permits	1.3	11.8	15.5	22.6	36.9	49.5	20.2	4.4	
Residential	22.4	5.2	21.1	50.2	23.2	2.6	27	10.9	
Non-residential	18.3	20.9	9.0	52.9	64.6	158.5	13.2	3.0	
Business Bankruptcies (level)	378	264	112	35	19	29	28		
% change	-6.7	-30.2	-4.3	13.6	36.9	17.9	27.3		

¹YTD (year to date) represents the change since the beginning of the year compared to the same period in the previous year.

²Unless otherwise indicated, all figures are year-over-year percentage change.

³Quarterly, annual numbers are presented on a revised year basis (July 1 - June 30).

⁴Quarterly, average of Calgary and Edmonton.

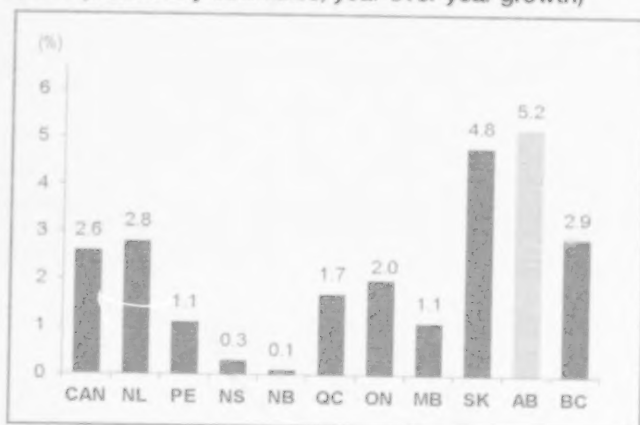
⁵Average of Calgary and Edmonton.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Price (Canadian Real Estate Association), Risk Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

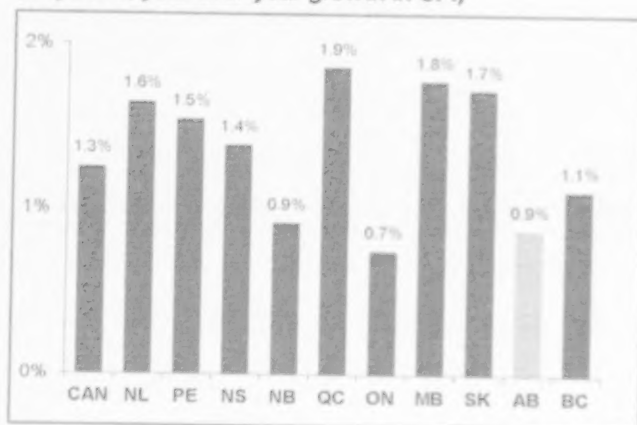
Real GDP Growth by Industry

(2011 preliminary estimates, year-over-year growth)



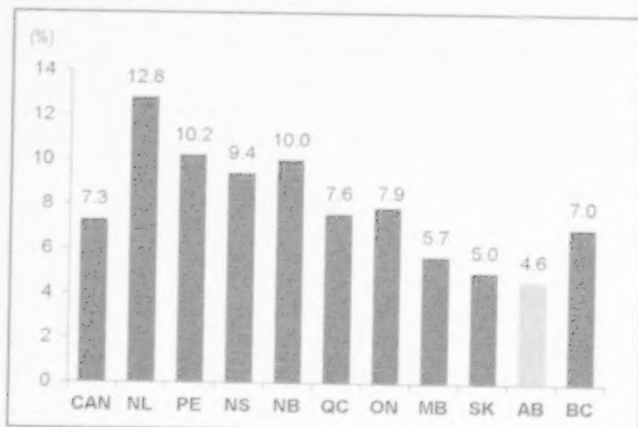
CPI Inflation

(July 2012, year-over-year growth in CPI)



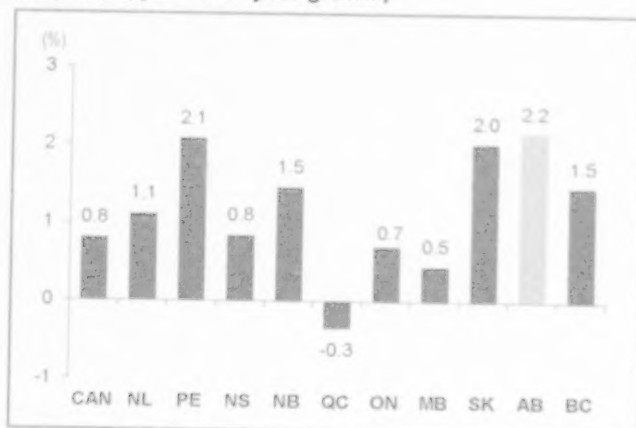
Unemployment Rate

(July 2012)



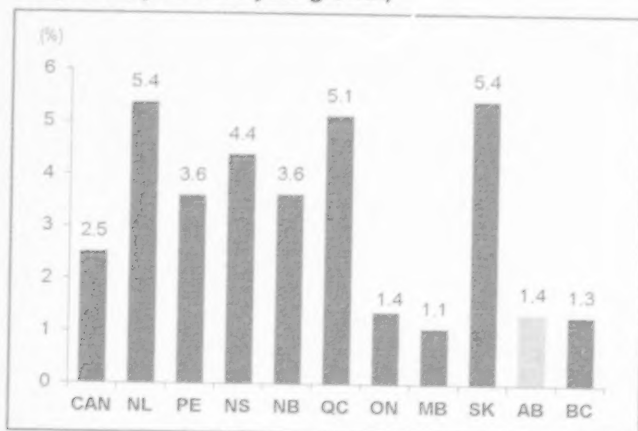
Employment

(July 2012, year-over-year growth)



Average Weekly Earnings

(May 2012, year-over-year growth)



Housing Starts

(July 2012, SAAR, year-over-year growth)

